

2007

**FIFTH LOUISIANA LEVEE DISTRICT  
TALLULAH, LOUISIANA  
STATE OF LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2009  
AND FOR THE YEAR THEN ENDED**

**WITH  
INDEPENDENT AUDITOR'S REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/14/09



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS and ADVISORS

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2009  
With Supplemental Information Schedules**

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**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2009  
With Supplemental Information Schedules**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Fifth Louisiana Levee District  
Tallulah, Louisiana

We have audited the accompanying financial statements of the governmental activities, major funds, and the aggregate remaining fund information of the Fifth Louisiana Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, major funds, and the aggregate remaining fund information of the Fifth Louisiana Levee District, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 21, 2009 on our consideration of the Fifth Louisiana Levee District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 7 and pages 26 and 27, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fifth Louisiana Levee District's basic financial statements. The accompanying supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Annual Financial Statement Reporting Packet, presented as supplementary information, is not a required part of the basic financial statements, but is supplementary information required by Louisiana's Office of Statewide Reporting and Accounting Policy. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Silas Simmons, LLP*

Natchez, Mississippi  
August 21, 2009

**Section I**  
**REQUIRED SUPPLEMENTAL INFORMATION**

**Management's Discussion and Analysis**

STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2009

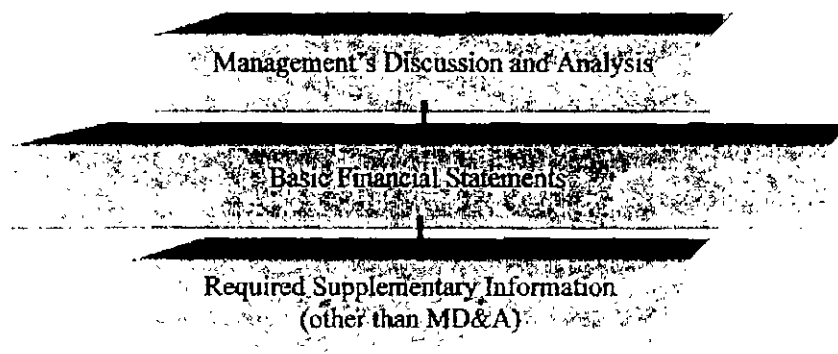
The Management's Discussion and Analysis of the Fifth Louisiana Levee District's Business-Type Activities (BTA) financial performance presents a narrative overview and analysis of Fifth Louisiana Levee District's (BTA) financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Fifth Louisiana Levee District's (BTA) financial statements, which begin on page 34.

**FINANCIAL HIGHLIGHTS**

- ★ The Fifth Louisiana Levee District's (BTA) assets exceeded its liabilities at the close of fiscal year 2009 by \$1,866,867 which presents a 4% increase from last fiscal year.
- ★ The Fifth Louisiana Levee District's (BTA) revenue increased \$665,970 (or 30%) and the net increase in net activities was \$71,236. These increases were caused by increases in right-of-way acquisitions.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the Fifth Louisiana Levee District (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 12) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Fifth Louisiana Levee District's (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 14) presents information showing how Fifth Louisiana Levee District's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2009**

The Statement of Cash Flows (pages 42-43) presents information showing how Fifth Louisiana Levee District's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

**Statement of Net Assets  
as of June 30, 2009 and 2008**

	Total	
	2009	Restated 2008
Current and other assets	\$ 1,434,599	\$ 1,309,520
Capital assets	924,819	704,456
Total assets	<u>2,359,418</u>	<u>2,013,976</u>
Current liabilities	34,452	75,143
Long-term liabilities	458,099	143,202
Total liabilities	<u>492,551</u>	<u>218,345</u>
Net assets:		
Invested in capital assets, net of debt	594,461	601,154
Restricted for land acquisition	367,000	367,000
Unrestricted	905,406	827,477
Total net assets	<u>\$ 1,866,867</u>	<u>\$ 1,795,631</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30, 2009 and 2008**

	2009	Restated 2008
Operating revenues	\$ 2,373,783	\$ 1,707,813
Operating expenses	<u>2,302,547</u>	<u>1,792,759</u>
Net increase (decrease) in net assets	<u>\$ 71,236</u>	<u>\$ (84,946)</u>



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2009**

The Fifth Louisiana Levee District's (BTA) total revenues increased by \$665,970 or (38%). The total cost of all programs and services increased by \$509,788 or 28%. These increases are entirely related to the cost of rights-of-way acquired and reimbursements from state and federal governments for these costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2009, the Fifth Louisiana Levee District (BTA) had \$924,819 invested in a broad range of capital assets. This amount represents a net decrease (including additions and deductions) of \$220,363, or 31%, over last year.

**Capital Assets at Year End  
(Net of Depreciation)**

	2009	2008
Land	\$ 58,738	\$ 58,738
Buildings and improvements	270,085	277,821
Equipment	595,996	367,897
<b>Totals</b>	<b>\$ 924,819</b>	<b>\$ 704,456</b>

**This year's additions included:**

John Deere 7730 tractors (4)	\$ 287,161
Front end loader	18,000
1993 tractor truck	15,800
1991 tractor truck	14,000
1989 Ford ambulance	14,000
Low Boy semi trailer	3,000
Computer equipment	844
<b>Total additions</b>	<b>\$ 352,805</b>

**Debt**

The Fifth Louisiana Levee District (BTA) had \$330,358 in capital leases outstanding at year-end, compared to \$103,302 last year. A summary of capital lease transactions is as follows:

	2009	2008
Capital leases at beginning of year	\$ 103,302	\$ 150,644
Additions	287,161	-
Reductions	(60,105)	(47,342)
<b>Capital leases at end of year</b>	<b>\$ 330,358</b>	<b>\$ 103,302</b>

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2009**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

The budget was amended once during the year with the following changes:

	Original	Final	Change
Revenues	\$ 1,209,549	\$ 1,687,284	\$ 477,735
Expenditures	1,209,487	1,716,182	506,695
Excess (deficit)	\$ 62	\$ (28,898)	\$ (28,960)

The amendments were primarily due to changes in right-of-way costs and reimbursements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Fifth Louisiana Levee District's (BTA) appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Continued assistance from the State of Louisiana
- Stability in property tax revenues
- No increase in flood protection expenses.

The District has received \$142,500 to \$250,000 in assistance from the State of Louisiana annually for many years. These funds are used for operations of the District. The District has advised the State of Louisiana that in the event of a major flood, the District will very likely not have enough cash to fund the flood fight. The flood could come as quickly as a break in the levee and cash would need to be available to immediately remedy the flooding of many Louisiana parishes. The damages of a levee break could easily be greater than the damage to Louisiana from Katrina.

Indications from the State of Louisiana are that the annual funding will be deleted from future Louisiana budgets. In the event that this funding is deleted, we believe that the State of Louisiana is putting itself at great risk from immense damages.

**CONTACTING THE FIFTH LOUISIANA LEVEE DISTRICT'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Fifth Louisiana Levee District's (BTA) finances and to show the Fifth Louisiana Levee District's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jason Trichell at 102 Burnside Drive, Tallulah, LA 71282. (318-554-2206)

**SECTION II  
GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2009**

Statement A

**ASSETS**

Cash and cash equivalents	\$ 1,058,858
Cash - reserved	367,000
Accounts receivable	8,741
Capital assets, net of depreciation	<u>924,819</u>
Total assets	<u>\$ 2,359,418</u>

**LIABILITIES**

Accounts payable	\$ 30,950
Accrued payroll and payroll taxes	3,502
Compensated absences	49,903
Capital lease obligations - current portion	115,625
Capital lease obligations - long-term	214,733
Net OPEB obligation	<u>77,838</u>
Total liabilities	<u>\$ 492,551</u>

**NET ASSETS**

Investment in capital assets, net of related debt	\$ 594,461
Reserved for land acquisition	367,000
Unrestricted	<u>905,406</u>
Total net assets	<u>\$ 1,866,867</u>

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Statement B

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants and	Changes in
			Contributions	Net Assets
General Government:				
Personal services	\$ 539,065	\$ -	\$ -	\$ (539,065)
Travel	12,588	-	-	(12,588)
Right-of-way costs	913,945	-	-	(913,945)
Operating services	531,630	150	284,591	(246,889)
Supplies	133,966	-	-	(133,966)
Professional services	29,358	-	-	(29,358)
Depreciation	132,442	-	-	(132,442)
Interest expense	9,553	-	-	(9,553)
Total General Government	<u>\$ 2,302,547</u>	<u>\$ 150</u>	<u>\$ 284,591</u>	<u>\$ (2,017,806)</u>
General revenues:				
Taxes				\$ 1,023,800
State revenue sharing				53,740
Interest income				21,716
Royalties, leases, land, and timber sales				81,106
Right-of-way reimbursements - State				625,874
Right-of-way reimbursements - Federal				282,457
Miscellaneous				349
Total general revenues				<u>\$ 2,089,042</u>
Change in net assets				\$ 71,236
Net assets, beginning of year (restated)				<u>1,795,631</u>
Net assets, end of year				<u>\$ 1,866,867</u>

The accompanying notes are an integral part of this financial statement.

**SECTION III**  
**FUND FINANCIAL STATEMENTS**

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
BALANCE SHEET (GOVERNMENTAL FUNDS)  
AS OF JUNE 30, 2009**

Statement C

**ASSETS**

Cash and cash equivalents	\$ 1,058,858
Cash - reserved	367,000
Accounts receivable	<u>8,741</u>
Total assets	<u><u>\$ 1,434,599</u></u>

**LIABILITIES AND FUND BALANCES**

**Liabilities:**

Accounts payable	\$ 30,950
Accrued payroll and payroll taxes	<u>3,502</u>
Total liabilities	<u><u>\$ 34,452</u></u>

**Fund balances**

Reserved for land acquisition	\$ 367,000
Unrestricted	<u>1,033,147</u>
Total fund balances	<u><u>\$ 1,400,147</u></u>

Total liabilities and fund balances	<u><u>\$ 1,434,599</u></u>
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The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET  
AS OF JUNE 30, 2009**

Statement D

Total fund balances (Statement C) \$ 1,400,147

Total Net Assets reported for governmental activities in  
the statement of net assets is different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the funds. Those assets consist of:

Land	\$ 58,738	
Building improvements, net of \$83,041 accumulated depreciation	270,085	
Furniture, fixtures, and equipment, net of \$1,210,967 accumulated depreciation	595,996	
Total capital assets	<u>924,819</u>	

Long-term liabilities, including compensated absences  
payable, are not due and payable in the current period  
and therefore are not reported in the fund liabilities. (380,261)

Net OPEB obligation payable (77,838)

Net assets (Statement A) \$ 1,866,867

The accompanying notes are an integral part of this financial statement.



STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2009

Statement E

REVENUES:

Taxes	\$ 1,023,800
State appropriations	284,591
State revenue sharing	53,740
Interest income	21,716
Royalties, leases, and timber sales	81,106
Right-of-way reimbursements - State	625,874
Right-of-way reimbursements - Federal	282,457
Miscellaneous	499
Total revenues	<u>\$ 2,373,783</u>

EXPENDITURES:

General government	
Personal services	\$ 498,081
Travel	12,588
Right-of-way costs	913,945
Operating services	531,630
Supplies	133,966
Professional services	29,357
Debt service:	
Lease principal	60,105
Interest expense	9,553
Capital outlay	65,645
Total expenditures	<u>\$ 2,254,870</u>

Excess of Revenues Over Expenditures	\$ 118,913
Fund Balance, Beginning of year	<u>1,281,234</u>
Fund Balance, End of year	<u><u>\$ 1,400,147</u></u>

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
AS OF JUNE 30, 2009

Statement F

Net change in fund balances (Statement E)	\$ 118,913
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The change in net assets reported for governmental activities in the statement of activities is different because:

Principal payments on capital leases are reported as expenditures in government funds.	60,105
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$132,442) exceeds capital outlay (\$65,645).	(66,797)
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Expenditures in statement of activities that do not involve current financial resources:

Accrued compensation absences	(3,047)
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Net OPEB obligation	<u>(37,938)</u>
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Change in net assets (Statement B)	<u>\$ 71,236</u>
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The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**INTRODUCTION**

1. The Fifth Louisiana Levee District is a component unit of the State of Louisiana created by the Louisiana State Legislature under provisions of Louisiana Revised Statute 38:219 (E).
2. The District provides flood protection primarily from the Mississippi River.
3. The District is composed of eight commissioners appointed by the Governor of the State of Louisiana. The President is paid \$1,000 per month. The remaining commissioners are reimbursed for their travel expenses.
4. The District covers the Parishes of East Carroll, Madison, Tensas and Concordia.
5. The population served is approximately 47,800.
6. The District employs 16 people.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Fifth Louisiana Levee District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, royalties, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

The Fifth Louisiana Levee District reports the following governmental fund:

The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity. The District has no proprietary or other fund types.

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District.

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the majority of commissioners and can impose his will upon the District. The accompanying financial statements present information only as to the transactions of the Fifth Louisiana Levee District, a component unit of the State of Louisiana. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

**C. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Fifth Louisiana Levee District's investment policy allow the District to invest in collateralized certificates of deposit, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**D. Receivables and Payables**

All accounts receivable are shown net of an allowance for uncollectives. Uncollectable accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available that would indicate the uncollectibility of the particular receivable. At June 30, 2009, there were no receivables deemed uncollectible.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			
Levee maintenance and operations	5.0	3.86	Permanent
Levee maintenance and operations	<u>\$.05 per acre</u>		<u>Permanent</u>

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

The following are the principal taxpayers and related property tax revenue for the entity:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for District</u>
Catalyst Old River	Power plant	\$ 32,400,070	12.10%	\$ 123,880
			%	
			%	
			%	
Total		\$ 32,400,070	12.10%	\$ 123,880

**E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Restricted Assets**

The District has restricted \$367,000 in cash to future purchases of land.

**G. Capital Assets**

Capital assets, which include property, plant, and equipment, are included on the Statement of Net Assets and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations. Accumulated depreciation is reported on the statement of net assets. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Expenditures for maintenance, repairs, and minor renewals are charged to earnings as incurred.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated for financial reporting purposes using the straight-line method over the following useful lives of the assets:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	5 years
Vehicles	5- 10 years
Equipment	5- 20 years

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**H. Compensated Absences**

The Fifth Louisiana Levee District has the following policy relating to vacation and sick leave:

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years in service. The amount of annual sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes. The entire compensated absence liability is reported on the government-wide financial statements.

**I. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or statement of net assets.

**J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**K. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The Fifth Louisiana Levee District uses the following budget practices:

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

At June 30, 2009, the Fifth Louisiana Levee District has cash and cash equivalents (book balances) totaling \$1,425,858 as follows:

Demand deposits	\$ 143,003
Time deposits	<u>1,282,855</u>
Total	<u>\$ 1,425,858</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2009, the District has \$1,421,572 in deposits (collected bank balances). These deposits are secured from risk by \$1,054,573 of federal deposit insurance and \$366,999 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**NOTE 4 – ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable:

Class of receivable	
Ad valorem taxes	\$ 534
Interest	<u>8,207</u>
Total	<u>\$ 8,741</u>

**NOTE 5 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2009, for the primary government is as follows:

	Balance 6/30/2008	Additions	Retirements	Balance 6/30/09
Capital assets, not being depreciated				
Land	\$ 58,738	\$ -	\$ -	\$ 58,738
Capital assets being depreciated				
Furniture, fixtures, and equipment	\$ 1,676,093	\$ 352,805	\$ (221,936)	\$ 1,806,962
Less accumulated depreciation	(1,308,196)	(124,707)	221,936	(1,210,967)
Total furniture, fixtures, and equipment	\$ 367,897	\$ 228,098	\$ -	\$ 595,995
Buildings and improvements	\$ 353,126	\$ -	\$ -	\$ 353,126
Less accumulated depreciation	(75,305)	(7,735)	\$ -	(83,040)
Total buildings and improvements	\$ 277,821	\$ (7,735)	\$ -	\$ 270,086
Total capital assets being depreciated	\$ 645,718	\$ 220,363	\$ -	\$ 866,081

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

	Balance 6/30/2008	Additions	Retirements	Balance 6/30/09
Total capital assets, net	\$ 704,456	\$ 220,363	\$ -	\$ 924,819

**NOTE 6 – ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$34,452 at June 30, 2009, are as follows:

Accounts	\$ 30,950
Withholdings	1,298
Salaries	<u>2,204</u>
Total	<u>\$ 34,452</u>

**NOTE 7 – LEASES**

The District records items under capital leases as an asset and an obligation in the accompanying financial statements.

The gross amount of assets recorded under capital leases is \$759,613 and accumulated depreciation is \$290,747. Capital leases at June 30, 2009, were as follows:

Nature of lease	Date of lease	Remaining interest to end of lease	Remaining principal to end of lease
Equipment	1/20/2005	\$ 4,982	\$ 75,610
Equipment	1/29/2009	15,808	133,079
Equipment	2/2/2009	<u>8,280</u>	<u>121,669</u>
		<u>\$ 29,070</u>	<u>\$ 330,358</u>

The following is a schedule by years of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2009:

Year ending June 30:	
2010	\$ 115,625
2011	115,625
2012	78,548
2013	33,086
2014	<u>16,544</u>
Total minimum lease payments	\$ 359,428
Less amounts representing interest	<u>(29,070)</u>
Present value of minimum lease payments	<u>\$ 330,358</u>



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 8 – LONG-TERM LIABILITIES**

The following is a summary of the long-term debt transactions of the entity for the year ended June 30, 2009:

	Balance 6/30/2008	Additions	Reductions	Balance 6/30/2009	Amounts due within one year
Other liabilities					
Compensated absences payable	\$ 46,857	\$ 3,046	\$ -	\$ 49,903	\$ 49,903
Capital lease obligations	103,282	287,181	(60,105)	330,358	115,625
Net OPEB obligation	39,900	49,371	(11,433)	77,838	-
Total long-term liabilities	<u>\$ 190,039</u>	<u>\$ 339,598</u>	<u>\$ (71,538)</u>	<u>\$ 458,099</u>	<u>\$ 165,528</u>

**NOTE 9 – RETIREMENT SYSTEMS**

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time District employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225)922-0608 or (800)256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal years ended June 30, 2009, was 18.5% of annual covered payroll. The District's contribution to the System for the year ending June 30, 2009, was \$79,270.

**NOTE 10 – OTHER POST RETIREMENT BENEFITS (OPEB)**

Effective for the year ended June 30, 2009, the Fifth Louisiana Levee District implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

*Plan Description* – Employees of the District voluntarily participate in the State of Louisiana's health insurance plan. The Office of Group Benefits provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system and they must be covered by the active medical plan immediately prior to retirement. The post employment benefits plan is a cost-sharing, multiple-employer defined benefit plan, but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

authority to establish and amend benefit provisions of the plan. Premiums are collected and benefits are paid as they come due in accordance with an agreement between the employers and plan members, and their beneficiaries. As of June 30, 2009, there were five participants in the plan. The Office of Group Benefits does not issue a public Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's Web site at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

**Funding Policy** – The contribution requirements of plan members may be amended by R.S. 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan, and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans – one HMO plan and one private fee-for-service (PFFS) plan, offered by two companies. Depending upon the plan selected, during fiscal year 2009, employee premiums for a single member receiving benefits range from \$303 to \$329 per month for retiree-only coverage, with Medicare, or from \$934 to \$1,012 per month for retiree-only coverage, without Medicare. The fiscal year 2009 employee premiums for a retiree with spouse, children, or family coverage range from \$1,495 to \$1,920 per month, for those with Medicare, and from \$1,641 to \$1,778 per month, for those without Medicare.

The plan is currently financed on a pay-as-you-go basis with the District contributing from \$58 to \$63 per month for retiree-only coverage, with Medicare, or from \$177 to \$192 per month for retiree-only coverage, without Medicare, during fiscal year 2009. Also, the District's contributions range from \$284 to \$308 per month for retiree with spouse, children, or family coverage, with Medicare, or from \$312 to \$338 for retiree and spouse, without Medicare.

Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

Service	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

The Office of Group Benefits also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one-half of the premiums for retirees and 22% for spouses. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

**Annual Other Post Employment Benefit Cost and Liability** – The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2008, the District implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other post employment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows:

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

ARC	\$ 49,300
Annual OPEB cost	49,371
Contributions made	<u>(11,433)</u>
Increase in net OPEB obligation	\$ 37,938
Net OPEB obligation - beginning of year	<u>39,900</u>
Net OPEB obligation - end of year	<u>\$ 77,838</u>
Percentage of Annual OPEB Cost Contributed	23.16%

Using the pay-as-you-go method, the District contributed 23.16% of the annual post employment benefits cost during 2009. As of June 30, 2009, the District had five active participants.

*Funded Status and Funding Progress* – As of July 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$614,400, which was unfunded. The covered payroll was \$183,100, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 335.55%. As of June 30, 2009, the District did not have an OPEB trust.

*Actuarial Methods and Assumptions* – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, Office of Group Benefits actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 8.5% and 10.75% for pre-Medicare and Medicare eligible's, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2009, was thirty years.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 11 – RISK MANAGEMENT**

The Fifth Louisiana Levee District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**NOTE 12 – LITIGATION**

The District is a defendant in several lawsuits which the legal advisor estimates will be fully covered by insurance.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

The following is a summary of significant fund equity adjustments to the financial statements at June 30, 2008:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Balance Sheet:			
Net OPEB obligation-long term liabilities	\$ -	\$ 39,900	\$ 39,900
Total fund balance	\$1,835,531	\$ 1,795,631	\$ (39,900)
Statement of Activities:			
Expenses	<u>1,752,859</u>	<u>1,792,759</u>	<u>39,900</u>
Change in net assets	<u>\$ (45,046)</u>	<u>\$ (84,946)</u>	<u>\$ (39,900)</u>

The District recognized \$39,900 in obligations associated with post-employment benefits at June 30, 2008 based on the actuarial report prepared for the Louisiana Office of State-Wide Reporting.

**SECTION IV**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**Schedule of Funding Progress for OPEB Plan**

The schedule of funding progress is required supplementary information that presents certain specific data regarding the funding progress of the OPEB plan, including the unfunded actuarial accrued liability.

FIFTH LOUISIANA LEVEE DISTRICT  
SCHEDULE OF FUNDING PROGRESS OF  
THE OPEB PLAN  
FISCAL YEAR ENDED JUNE 30, 2009

Schedule 1

**Schedule of Funding Progress**

		Actuarial Accrued Liability				UAAL as a Percentage of
Actuarial Valuation Date	Actuarial Value of Assets (a)	(AAL) - Projected Unit Cost (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	Covered Payroll [(b - a)/c]
7/1/2008	NONE	\$ 614,400	\$ 614,400	0.00%	\$ 183,100	335.55%

**Note to the Schedule:**

GASB Statement 45 was implemented prospectively during the fiscal year ended June 30, 2009; therefore, only one year of information is available to present.

**SECTION V**  
**ADDITIONAL REQUIRED SUPPLEMENTAL SCHEDULES**

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2009**

NAME	AMOUNT
Jack M. Vamer, Jr.	\$ 878
Sam Hill	1,013
J. Pat Mabray, Jr.	878
James E. Kelly, Sr.	1,350
Barry Maxwell	1,418
Morris M. Willson	810
Philip Brown	540
	<u>\$ 6,887</u>

Board President, Reynold Minsky, draws \$12,000 per year as salary.

See Independent Auditor's Report.



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
SCHEDULE OF STATE FUNDING  
FOR THE YEAR ENDED JUNE 30, 2009**

**Description of Funding**

Revenue sharing	\$ 53,740
Right-of-way reimbursement	625,874
Expense reimbursement	142,091
General appropriation	<u>142,500</u>
Total	<u>\$ 964,205</u>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
BUDGET (GAAP) BASIS AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts Budgetary	Variance Favorable
	Original	Final	Basis	(Unfavorable)
<b>REVENUES:</b>				
Taxes	\$ 863,800	\$ 1,023,182	\$ 1,023,800	\$ 618
State appropriations	150,000	194,421	284,592	90,171
State revenue sharing	49,005	53,740	53,740	-
Interest income	49,600	26,267	26,267	-
Royalties, leases, land, and timber sales	96,944	81,106	81,106	-
Right-of-way reimbursements	-	914,776	914,776	-
Miscellaneous	200	499	499	-
Total revenues	\$ 1,209,549	\$ 2,293,991	\$ 2,384,780	\$ 90,789
<b>EXPENDITURES:</b>				
General government				
Personal services	\$ 500,893	\$ 504,930	\$ 498,081	\$ 6,849
Travel	19,615	20,300	12,588	7,712
Right-of-way costs	-	868,036	913,945	(45,909)
Operating services	437,594	635,341	509,263	126,078
Supplies	102,750	133,427	135,034	(1,607)
Professional services	14,300	26,397	29,357	(2,960)
Lease principal payments	93,691	62,376	60,105	2,271
Interest payments	10,644	7,282	9,553	(2,271)
Capital outlay	30,000	64,800	65,645	(845)
Total expenditures	\$ 1,209,487	\$ 2,322,889	\$ 2,233,571	\$ 89,318
Excess of revenues over expenditures	\$ 62	\$ (28,898)	\$ 151,209	\$ 180,107
Fund balance, beginning of year	1,120,090	1,120,090	1,120,090	-
Fund balance, end of year	\$ 1,120,152	\$ 1,091,192	\$ 1,271,299	\$ 180,107

See Independent Auditor's Report.

STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2009

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

Net change budget basis	\$ 151,209
Increase:	
Net adjustments for revenue accruals	(10,997)
Net adjustments for expenditure accruals	<u>(21,299)</u>
Net change GAAP basis	<u>\$ 118,913</u>

**SECTION VI**  
**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***



209 N. Commerce Street  
P.O. Box 1027  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Fifth Louisiana Levee District  
Tallulah, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fifth Louisiana Levee District as of and for the year ended June 30, 2009, which collectively comprise the Fifth Louisiana Levee District's basic financial statements, and have issued our report thereon dated August 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Fifth Louisiana Levee District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fifth Louisiana Levee District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fifth Louisiana Levee District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Fifth Louisiana Levee District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Fifth Louisiana Levee District's financial statements that is more than inconsequential will not be prevented or detected by the Fifth Louisiana Levee District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fifth Louisiana Levee District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management of the Fifth Louisiana Levee District and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Silas Linnans, LLP*

Natchez, Mississippi  
August 21, 2009

**SCHEDULE OF FINDINGS**

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT**

**Current Year Findings, Recommendations, and Corrective Action Plan  
Year Ended June 30, 2009**

**SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

- |   |             |
|---|-------------|
| 1. Type of auditors' report issued on the financial statements:                           | Unqualified |
| 2. Material noncompliance relating to the financial statements?                           | No          |
| 3. Internal control over financial reporting:   |             |
| a. Material weakness(es) identified?  | No          |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No          |

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
----------------	-------------------------------	----------------------------------	---	--

**Section I – Internal Control and Compliance Material to the Financial Statements:**

None

**Section II – Internal Control and Compliance Material to Federal Awards:**

None

**Section III – Management Letter:**

None



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT**

**Supplemental Information Schedules  
June 30, 2009  
Status of Prior Year Audit Findings  
For the Year Ended June 30, 2008**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
----------------	---	-------------------------------	---	--

**Section I – Internal Control and Compliance Not Material to the Financial Statements:**

None

**Section II – Internal Control and Compliance Material to Federal Awards:**

None

**Section III – Management Letter:**

None

**DIVISION OF ADMINISTRATION REPORTING PACKAGE**

**FIFTH LOUISIANA LEVEE DISTRICT  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2009**

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STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2009

Schedule Number

Fifth Louisiana Levee District  
103 Burnside Drive  
Tallulah, LA 71282

(Agency Name & Mailing Address)

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, BARRY MAXWELL (Name)  
(Title) of Fifth LA Levee District (Agency) who duly sworn, deposes and says, that the financial  
statements herewith given present fairly the financial position of Fifth LA Levee District (agency) at  
June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices  
established by the Division of Administration or in accordance with Generally Accepted Accounting  
Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
me, this 2<sup>nd</sup> day of SEPTEMBER, 2009

Barry L. Maxwell V.P.  
Signature of Agency Official

W. W. Lee #186956  
NOTARY PUBLIC

Prepared by: Myles Hopkins, CPA

Title: Certified Public Accountant

Telephone No.: 601-442-7411

Date: September 2, 2009

Email Address: mhopkins@silassimmons.com



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

The Management's Discussion and Analysis of the Fifth Louisiana Levee District is presented on pages 4-7 of this reporting package.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
BALANCE SHEET  
AS OF JUNE 30, 2009**

**ASSETS**

**STATEMENT A**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	1,058,858
Investments		-
Receivables (net of allowance for doubtful accounts)(Note U)		8,741
Due from other funds (Note Y)		-
Due from federal government		-
Inventories		-
Prepayments		-
Notes receivable		-
Other current assets		-
Total current assets		<u>1,067,599</u>

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		387,000
Investments		-
Receivables		-
Notes receivable		-
Investments		-
Capital assets (net of depreciation)(Note D)		
Land		58,738
Buildings and improvements		270,086
Machinery and equipment		595,995
Infrastructure		-
Construction in progress		-
Other noncurrent assets		-
Total noncurrent assets		<u>1,291,819</u>
Total assets		<u><u>2,359,418</u></u>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)		34,452
Due to other funds (Note Y)		-
Due to federal government		-
Deferred revenues		-
Amounts held in custody for others		-
Other current liabilities		-
Current portion of long-term liabilities:		-
Contracts payable		-
Reimbursement contracts payable		-
Compensated absences payable (Note K)		49,903
Capital lease obligations - (Note J)		115,626
Claims and litigation payable (Note K)		-
Notes payable		-
Liabilities payable from restricted assets (Note Z)		-
Bonds payable		-
Other long-term liabilities		-
Total current liabilities		<u>199,980</u>

**NON-CURRENT LIABILITIES:**

Contracts payable		-
Reimbursement contracts payable		-
Compensated absences payable (Note K)		-
Net OPEB obligation (Note I)		77,838
Capital lease obligations (Note J)		214,733
Claims and litigation payable (Note K)		-
Notes payable		-
Liabilities payable from restricted assets (Note Z)		-
Bonds payable		-
Other long-term liabilities		-
Total long-term liabilities		<u>292,571</u>
Total liabilities		<u><u>492,551</u></u>

**NET ASSETS**

Invested in capital assets, net of related debt		<u>594,481</u>
Restricted for:		
Capital projects		387,000
Debt service		-
Unemployment compensation		-
Other specific purposes		-
Unrestricted		<u>905,408</u>
Total net assets		<u>1,868,867</u>
Total liabilities and net assets	\$	<u><u>2,359,418</u></u>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

<b>STATEMENT B</b>	
<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$
Assessments	
Use of money and property	
Licenses, permits, and fees	150
Other	
Total operating revenues	\$ 150
<b>OPERATING EXPENSES</b>	
Cost of sales and services	\$ 1,998,160
Administrative	162,392
Depreciation	132,442
Amortization	
Total operating expenses	\$ 2,292,994
Operating income (loss)	\$ (2,292,844)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State appropriations	\$ 284,591
Intergovernmental revenues (expenses)	962,071
Taxes	1,023,800
Use of money and property	102,822
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(9,553)
Other revenue	349
Other expense	
Total nonoperating revenues (expenses)	\$ 2,364,080
Income (loss) before contributions and transfers	\$ 71,236
Capital contributions	\$
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	\$ 71,236
Total net assets - beginning	\$ 1,795,631
Total net assets - ending	\$ 1,866,867

See Independent Auditor's Report.



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

STATEMENT C

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Net (Expense) Revenue and Changes in Net Assets</u>
Entity	<u>\$ 2,302,547</u>	<u>\$ 150</u>	<u>\$ 284,591</u>	<u>\$ -</u>
General revenues:				
Taxes				\$ 1,023,800
State appropriations				679,614
Grants and contributions not restricted to specific programs				282,457
Interest				21,716
Miscellaneous				81,455
Special items				-
Extraordinary item - Loss on impairment of capital assets				-
Transfers				-
Total general revenues, special items, and transfers				<u>\$ 2,089,042</u>
Change in net assets				<u>71,236</u>
Net assets - beginning				<u>\$ 1,795,631</u>
Net assets - ending				<u>\$ 1,866,867</u>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**STATEMENT D**

**Cash flows from operating activities**

Cash received from customers	\$	150	
Cash payments to suppliers for goods and services		(1,606,481)	
Cash payments to employees for services		(509,967)	
Payments in lieu of taxes		-	
Internal activity payments to other funds		-	
Claims paid to outsiders		-	
Other operating revenues (expenses)		-	
Net cash provided (used) by operating activities		<u>\$</u>	<u>(2,116,298)</u>

**Cash flows from noncapital financing activities**

State appropriations		284,591	
Proceeds from sale of bonds		-	
Principal paid on bonds		-	
Interest paid on bond maturities		-	
Proceeds from issuance of notes payable		287,161	
Principal paid on notes payable		-	
Interest paid on notes payable		-	
Operating grants received		-	
Transfers in		-	
Transfers out		-	
Other		<u>2,076,818</u>	
Net cash provided (used) by noncapital financing activities			<u>2,648,570</u>

**Cash flows from capital and related financing activities**

Proceeds from sale of bonds	\$	-	
Principal paid on bonds		-	
Interest paid on bond maturities		-	
Proceeds from issuance of notes payable		-	
Principal paid on notes payable		(60,105)	
Interest paid on notes payable		(9,553)	
Acquisition/construction of capital assets		(352,805)	
Proceeds from sale of capital assets		-	
Capital contributions		-	
Other		-	
Net cash provided (used) by capital and related financing activities			<u>\$</u> <u>(422,463)</u>

**Cash flows from investing activities**

Purchases of investment securities	\$	-	
Proceeds from sale of investment securities		-	
Interest and dividends earned on investment securities		<u>26,267</u>	
Net cash provided (used) by investing activities			<u>\$</u> <u>26,267</u>

Net increase in cash and cash equivalents		<u>\$</u>	<u>136,076</u>
Cash and cash equivalents at beginning of year		<u>\$</u>	<u>1,289,782</u>
Cash and cash equivalents at end of year		<u>\$</u>	<u>1,425,858</u>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**STATEMENT D**

**Reconciliation of operating income (loss) to net cash provided(used) by operating activities:**

Operating income (loss)		<b>\$ (2,254,906)</b>
Adjustments to reconcile operating income (loss) to net cash		
Depreciation/amortization	\$ 132,442	
Provision for uncollectible accounts	-	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	-	
(Increase) decrease in due from other funds	-	
(Increase) decrease in prepayments	-	
(Increase) decrease in inventories	-	
(Increase) decrease in other assets	-	
Increase (decrease) in accounts payable and accruals	6,166	
Increase (decrease) in accrued payroll and related benefits	-	
Increase (decrease) in compensated absences payable	-	
Increase (decrease) in due to other funds	-	
Increase (decrease) in deferred revenues	-	
Increase (decrease) in other liabilities	-	
Net cash provided(used) by operating activities		<b><u>\$ (2,116,298)</u></b>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$	N/A
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$</b>	<b>N/A</b>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

**INTRODUCTION**

The Fifth Louisiana Levee District (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:219(E). The following is a brief description of the operations of Fifth Louisiana Levee District (BTA) which includes the parish/parishes in which the (BTA) is located: East Carroll, Madison, Tensas, and Concordia.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Fifth Louisiana Levee District present information only as to the transactions of the programs of the Fifth Louisiana Levee District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Fifth Louisiana Levee District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Fifth Louisiana Levee District (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	APPROPRIATIONS
Original approved budget	\$ 1,209,487
Amendments	1,113,402
Final approved budget	<u>\$ 2,322,889</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Fifth Louisiana Levee District (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement No. 40, which amended GASB Statement No. 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement No. 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

The deposits at June 30, 2009, consisted of the following:

	Cash	Certificates of Deposit	Petty Cash	Total
Deposits in Bank Accounts Per Balance Sheet	\$ 143,003	\$ 1,282,855	\$ -	\$ 1,425,858
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	366,999	-	366,999
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	-	-	-	-
Total Bank Balances - All Deposits	\$ 138,717	\$ 1,282,855	\$ -	\$ 1,421,572

NOTE: The "Total Bank Balances - All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	Banking Institution	Program	Amount
1.	Texas State Bank		\$ 666,082
2.	Concordia Bank & Trust		350,000
3.	Delta Bank		150,000
4.	Cross Keys Bank		259,776
			<u>\$ 1,425,858</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	N/A
Petty cash	\$	N/A

## 2. INVESTMENTS

The Fifth Louisiana Levee District (BTA) does not maintain investment accounts as authorized by Louisiana Revised Statutes.

### Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

See Independent Auditor's Report

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

GASB Statement No. 40 amended GASB Statement No. 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement No. 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	<b>Investments Exposed to Custodial Credit Risk</b>		<b>All Investments Regardless of Custodial Credit Risk Exposure</b>	
<b>Type of Investment</b>	<b>Uninsured, *Unregistered, and Held by Counterparty</b>	<b>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent <u>Not in</u> <u>Entity's Name</u></b>	<b>Reported Amount</b>	<b>Fair Value</b>
Repurchase agreements	\$ _____	\$ N/A	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____	\$ _____	\$ _____	\$ _____

\* unregistered - not registered in the name of the government or entity

### 3. Derivatives

The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk N/A

market risk \_\_\_\_\_

legal risk \_\_\_\_\_

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

**4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures**

**A. Credit Risk of Debt Investments**

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating</u>	<u>Fair Value</u>
N/A	\$
Total	\$

**B. Interest Rate Risk**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ N/A	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$	\$	\$	\$	\$

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

See Independent Auditor's Report.



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
N/A	\$	
Total	\$	

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer (not including U.S. government securities, mutual funds, and external investment pools) that represent 5% or more of total investments.

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
N/A	\$	
Total	\$	

**Foreign Currency Risk**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
N/A	\$	\$
Total	\$	\$

**5. Policies**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

N/A

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
Notes to the Financial Statements  
As of and for the year ended June 30, 2009**

**6. Other Disclosures Required for Investments**

- a. Investments in pools managed by other governments or mutual funds N/A
- b. Securities underlying reverse repurchase agreements N/A
- c. Unrealized investment losses N/A
- d. Commitments as of N/A (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions N/A
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet N/A

**Legal or Contractual Provisions for Reverse Repurchase Agreements**

- g. Source of legal or contractual authorization for use of reverse repurchase agreements N/A
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year N/A

**Reverse Repurchase Agreements as of Year-End**

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest N/A
- j. Commitments on N/A (fiscal close) to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on N/A (fiscal close) of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase N/A \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements N/A

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- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement N/A

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices N/A
- p. Basis for determining which investments, if any, are reported at amortized cost N/A
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool N/A
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares N/A
- s. Any involuntary participation in an external investment pool N/A
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate N/A
- u. Any income from investments associated with one fund that is assigned to another fund N/A
- v. N/A (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

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**STATE OF LOUISIANA  
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**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2009		
	Balance 06-30-08	Additions	Balance 06-30-09
<b>Capital assets not being depreciated</b>			
Land	\$ 58,738	\$ -	\$ 58,738
<b>Other capital assets</b>			
Furniture, fixtures, and equipment	\$ 1,676,093	\$ 352,805	\$ 1,806,962
Less accumulated depreciation	(1,308,196)	(124,707)	(1,210,967)
Total furniture, fixtures, and equipment	367,897	228,098	595,995
Buildings and improvements	353,126	-	353,126
Less accumulated depreciation	(75,305)	(7,735)	(83,040)
Total buildings and improvements	277,821	(7,735)	270,086
Total other capital assets	\$ 645,718	\$ 220,363	\$ 866,081
<b>Capital Asset Summary:</b>			
Capital assets not being depreciated	\$ 58,738	\$ -	\$ 58,738
Other capital assets, at cost	2,029,219	352,805	2,160,088
Total cost of capital assets	2,087,957	352,805	2,218,826
Less accumulated depreciation	(1,383,501)	(132,442)	(1,294,007)
Capital assets, net	\$ 704,456	\$ 220,363	\$ 924,819

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**STATE OF LOUISIANA  
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**E. INVENTORIES**

The BTA's inventories are valued at \_\_\_\_\_ N/A \_\_\_\_\_ (method of valuation). These are perpetual inventories and are expensed when used.

**F. RESTRICTED ASSETS**

Restricted assets in the Fifth Louisiana Levee District (BTA) at June 30, 2009, reflected at \$367,000 in the non-current assets section on Statement A, consisting of \$367,000 in cash with fiscal agent.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Fifth Louisiana Levee District (BTA) has the following policy on annual and sick leave:

Employees may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009, is computed in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$49,903. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS.

Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006.

Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2005 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at:

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[http://www.lasers.state.la.us/PDFs/Publications and Reports/Fiscal Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports\\_05.pdf](http://www.lasers.state.la.us/PDFs/Publications%20and%20Reports/Fiscal%20Documents/Comprehensive%20Financial%20Reports/Comprehensive%20Financial%20Reports_05.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009 decreased to 18.5% of annual covered payroll from the 20.4% and 17.8% required in fiscal years ended June 30, 2008 and 2007, respectively. The (BTA) contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$79,270, \$84,308, and \$78,013, respectively, equal to the required contributions for each year.

**I. OTHER POST RETIREMENT**

Effective for the year ended June 30, 2009, the Fifth Louisiana Levee District implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

*Plan Description* – Employees of the District voluntarily participate in the State of Louisiana's health insurance plan. The Office of Group Benefits provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system and they must be covered by the active medical plan immediately prior to retirement. The post employment benefits plan is a cost-sharing, multiple-employer defined benefit plan, but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. Premiums are collected and benefits are paid as they come due in accordance with an agreement between the employers and plan members and their beneficiaries. As of June 30, 2009, there were five participants in the plan. The Office of Group Benefits does not issue a public Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's Web site at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

*Funding Policy* – The contribution requirements of plan members may be amended by R.S. 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The Office of Group Benefits offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan, and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans – one HMO plan and one private fee-for-service (PFFS) plan, offered by two companies. Depending upon the plan selected, during fiscal year 2009, employee premiums for a single member receiving benefits range from \$303 to \$329 per month, for retiree-only coverage with Medicare, or from \$934 to \$1,012 per month, for retiree-only coverage without Medicare. The fiscal year 2009 employee premiums for a retiree with spouse, children, or family coverage range from \$1,495 to \$1,920 per month, for those with Medicare, and from \$1,641 to \$1,778 per month, for those without Medicare.

The plan is currently financed on a pay-as-you-go basis with the District contributing from \$58 to \$63 per month for retiree-only coverage, with Medicare, or from \$177 to \$192 per month for retiree-only coverage, without Medicare, during fiscal year 2009. Also, the Districts contributions range from \$284 to \$308 per month for retiree with spouse, children, or family coverage, with Medicare, or from \$312 to \$338 for retiree and spouse, without Medicare.

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Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

The Office of Group Benefits also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one-half of the premiums for retirees and 22% for spouses. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

*Annual Other Post Employment Benefit Cost and Liability* – The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2008, the District implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other post employment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows:

ARC	<u>\$ 49,300</u>
Annual OPEB cost	49,371
Contributions made	<u>(11,433)</u>
 Increase in net OPEB obligation	 \$ 37,938
 Net OPEB obligation - beginning of year	 <u>39,900</u>
 Net OPEB obligation - end of year	 <u>\$ 77,838</u>
 Percentage of Annual OPEB Cost Contributed	 23.16%

Using the pay-as-you-go method, the District contributed 23.16% of the annual post employment benefits cost during 2009. As of June 30, 2009, the District had five active participants.

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**STATE OF LOUISIANA  
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**Funded Status and Funding Progress** – As of July 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$614,400, which was unfunded. The covered payroll was \$183,100, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 335.55%. As of June 30, 2009, the District did not have an OPEB trust.

**Actuarial Methods and Assumptions** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008, Office of Group Benefits actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 8.5% and 10.75% for pre-Medicare and Medicare eligible's, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2009, was thirty years.

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 2008-2009 amounted to \$-0-. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013- 2017</u>	<u>FY 2018- 2021</u>
N/A	\$	\$	\$	\$	\$	\$	\$
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report.



**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**2. CAPITAL LEASES**

Capital leases are recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office	\$ -	\$ -	\$ -
b. Equipment	759,613	29,070	330,358
c. Land	-	-	-
	<u>\$ 759,613</u>	<u>\$ 29,070</u>	<u>\$ 330,358</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30 :</u>	<u>Total</u>
2010	\$ 115,625
2011	115,625
2012	78,548
2013	33,086
2014	16,544
Total minimum lease payments	359,428
Less amounts representing interest	(29,070)
Present value of net minimum lease payments	<u>\$ 330,358</u>

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:

	Balance June 30, 2008	<u>Year ended June 30, 2009</u>		Balance June 30, 2009	Amounts due within one year
		Additions	Reductions		
<b>Other liabilities:</b>					
Compensated absences payable	\$ 46,857	\$ 3,046	\$ -	\$ 49,903	\$ 49,903
Capital lease obligations	103,282	287,181	(60,105)	330,358	115,625
Net OPEB obligation	39,900	49,371	(11,433)	77,838	-
Total other liabilities	<u>\$ 190,039</u>	<u>\$ 339,598</u>	<u>\$ (71,538)</u>	<u>\$ 458,099</u>	<u>\$ 165,528</u>

**L. CONTINGENT LIABILITIES**

The District is a defendant in several lawsuits which the legal advisor estimates will be fully covered by insurance.

**M. RELATED PARTY TRANSACTIONS**

N/A

**N. ACCOUNTING CHANGES**

N/A

**O. IN-KIND CONTRIBUTIONS**

N/A

**P. DEFEASED ISSUES**

N/A

**Q. REVENUES – PLEDGED OR SOLD**

N/A

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

N/A

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

N/A

**T. SHORT-TERM DEBT**

N/A

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2009, were as follows:

<u>Fund</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
Governmental	\$ -	\$ 534	\$ -	\$ 8,207	\$ 8,741
Gross receivables	\$ -	\$ 534	\$ -	\$ 8,207	\$ 8,741
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ -	\$ -	\$ -

Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -
---	------	------	------	------	------

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2009, were as follows:

<u>Fund</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other Payables</u>	<u>Total Payables</u>
Governmental	\$ 30,950	\$ 3,502	\$ -	\$ -	\$ 34,452
Total payables	\$ 30,950	\$ 3,502	\$ -	\$ -	\$ 34,452

**W. SUBSEQUENT EVENTS**

N/A

**X. SEGMENT INFORMATION**

N/A

**Y. DUE TO/DUE FROM AND TRANSFERS**

N/A

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

N/A

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

The following is a summary of significant fund equity adjustments to the financial statements at June 30, 2008:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Balance Sheet:			
Net OPEB obligation-long term liabilities	\$ -	\$ 39,900	\$ 39,900
Total fund balance	\$ 1,835,531	\$ 1,795,631	\$ (39,900)
Statement of Activities:			
Expenses	\$ 1,752,859	\$ 1,792,759	\$ 39,900
Change in net assets	\$ (45,046)	\$ (84,946)	\$ (39,900)

The District recognized \$39,900 in obligations associated with post-employment benefits at June 30, 2008 based on the actuarial report prepared for the Louisiana Office of State-Wide Reporting.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT No. 46)**

N/A

**CC. IMPAIRMENT OF CAPITAL ASSETS**

N/A

**DD. EMPLOYEE TERMINATION BENEFITS**

N/A

**EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)**

N/A

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED JUNE 30, 2009**

NAME	AMOUNT
Jack M. Vamer, Jr.	\$ 878
Sam Hill	1,013
J. Pat Mabray, Jr.	878
James E. Kelly, Sr.	1,350
Barry Maxwell	1,418
Morris M. Wilson	810
Philip Brown	540
	<u>\$ 6,887</u>

**SCHEDULE 1**

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF NOTES PAYABLE (CAPITAL LEASES)  
FOR THE YEAR ENDED JUNE 30, 2009**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/08	Redeemed (Issued)	Principal Outstanding 6/30/09	Interest Rates	Interest Outstanding 6/30/09
Equipment	01/20/05	\$190,000	\$103,302	\$ -	\$ 75,610	4.87%	\$ 4,982
Equipment	01/29/09	146,713	-	-	133,079	5.0%	15,808
Equipment	2/2/09	<u>140,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>121,669</u>	<u>5.0%</u>	<u>8,280</u>
Total		<u>\$477,162</u>	<u>\$103,302</u>		<u>\$330,358</u>		<u>\$29,070</u>

SCHEDULE 3-A

See Independent Auditor's Report.

STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF BONDS PAYABLE  
FOR THE YEAR ENDED JUNE 30, 2009

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/08	Redeemed (Issued)	Principal Outstanding 6/30/09	Interest Rates	Interest Outstanding 6/30/09
N/A		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

SCHEDULE 3-B

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Fiscal Year Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2010	\$ 115,625	\$ 14,221	\$ 101,404	\$ 228,954
2011	115,625	8,829	106,796	122,158
2012	78,548	4,108	74,440	47,718
2013	33,086	1,673	31,413	16,305
2014	16,544	239	16,305	-
2015-2017	-	-	-	-
2018-2022	-	-	-	-
2023-2027	-	-	-	-
2028-2032	-	-	-	-
Total	<u>\$ 359,428</u>	<u>\$ 29,070</u>	<u>\$ 330,358</u>	<u>\$ -</u>

SCHEDULE 4-A

See Independent Auditor's Report.



STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF NOTES PAYABLE AMORTIZATION  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ N/A	\$
2009		
2010		
2011		
2012		
2013-2016		
2017-2021		
2022-2026		
2027-2031		
Total	\$ -	\$

SCHEDULE 4-B

See Independent Auditor's Report.

STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
FOR THE YEAR ENDED JUNE 30, 2009

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ N/A	\$ N/A
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	\$	\$

SCHEDULE 4-C

See Independent Auditor's Report.

**STATE OF LOUISIANA**  
**FIFTH LOUISIANA LEVEE DISTRICT (BTA)**  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**JUNE 30, 2009**

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
<b>Revenues:</b>					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Federal Funds		N/A			
Sales of commodities and services					
Other					
Total appropriated revenues					
<b>Expenses:</b>					
Cost of goods sold	\$	\$	\$	\$	\$
Personal services					
Travel					
Operating services					
Supplies					
Professional services					
Other charges					
Capital outlay					
Interagency transfers					
Debt service					
Other:					
Bad debts					
Depreciation					
Compensated absences					
Interest expense					
Other (identify)					
Total appropriated expenses					
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	\$	\$

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.  
SCHEDULE 5

**STATE OF LOUISIANA**  
**FIFTH LOUISIANA LEVEE DISTRICT (BTA)**  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**June 30, 2009**

Excess (deficiency) of revenues over expenses (budget basis)	\$	N/A
Reconciling items:		
Cash carryover		
Use of money and property (interest income)		
Depreciation		
Compensated absences adjustment		
Capital outlay		
Disposal of fixed assets		
Change in inventory		
Interest expense		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan principal repayments included in revenue		
Loan disbursements included in expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	\$	

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

See Independent Auditor's Report.

**STATE OF LOUISIANA  
FIFTH LOUISIANA LEVEE DISTRICT (BTA)**

**COMPARISON FIGURES**

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	<u>\$ 2,373,783</u>	<u>\$ 1,707,813</u>	<u>\$ 665,970</u>	<u>39%</u>
Expenses	<u>\$ 2,302,547</u>	<u>\$ 1,792,759</u>	<u>\$ 509,788</u>	<u>28%</u>
2) Capital assets	<u>\$ 924,819</u>	<u>\$ 704,456</u>	<u>\$ 220,363</u>	<u>31%</u>
Long-term debt	<u>\$ 408,196</u>	<u>\$ 176,202</u>	<u>\$ 231,994</u>	<u>132%</u>
Net assets	<u>\$ 1,866,867</u>	<u>\$ 1,795,631</u>	<u>\$ 71,236</u>	<u>4%</u>
Explanation for change:	Rights-of-ways acquired increased in 2009 compared to 2008. Revenues related to acquisition of rights-of-way also increased.			

SCHEDULE 15

See Independent Auditor's Report.

**SCHEDULE 16 - COOPERATIVE ENDEAVORS  
FOR YEAR ENDED JUNE 30, 2009**

**FIFTH LOUISIANA LEVEE DISTRICT**

[illegible]

**SCHEDULE 16**